

plan and to comply with the provisions of the Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act of 2015, 20 U.S.C. sections 6301 et seq. (Public Law 114-95, 129 STAT. 1802).

The purpose of the proposed rule is to ensure a seamless transition to the revised accountability plan as authorized under the approved ESSA plan, and provide school districts with the opportunity to demonstrate improvements by creating improvement plans that address the needs and resource issues found in identified schools. The State and local educational agencies (LEAs) are required to comply with the ESSA as a condition to their receipt of federal funds under Title I of the ESEA Act of 1965, as amended by the Every Student Succeeds Act of 2015.

The proposed rule applies to public schools, school districts and charter schools that receive funding as LEAs pursuant to the ESSA, and will not have an adverse impact on jobs or employment opportunities. Because it is evident from the nature of the proposed rule that it will have no impact, on jobs or employment opportunities, no further steps were needed to ascertain those facts and none were taken. Accordingly, a job impact statement is not required and one has not been prepared.

Department of Environmental Conservation

REGULATORY IMPACT STATEMENT, REGULATORY FLEXIBILITY ANALYSIS, RURAL AREA FLEXIBILITY ANALYSIS AND/OR JOB IMPACT STATEMENT

BEACH Act Standards and Reclassification Rule

I.D. No. ENV-12-18-00043-P

This regulatory impact statement, regulatory flexibility analysis, rural area flexibility analysis and/or job impact statement pertain(s) to a notice of proposal rule making, I.D. No. ENV-12-18-00043-P, printed in the *State Register* on March 21, 2018.

Regulatory Impact Statement

The New York State Department of Environmental Conservation (Department) is proposing revisions to New York's water quality standards to meet the requirements of the federal Beaches Environmental Assessment and Coastal Health (BEACH) Act of 2000 (P.L. 106-284). The Department is also proposing upgrades to the classification of two water bodies.

1. Statutory Authority

The statutory authority for adoption of water quality standards and classifications is found in the Environmental Conservation Law (ECL) Articles 3 and 17. ECL Article 3 provides that the Commissioner of the Department may adopt regulations to carry out the purposes of the ECL in general. ECL Article 17 directs the Department to classify the waters of the state in accordance with best usage and maintain reasonable standards consistent with public health and public enjoyment of the waters. Specifically, Section 17-0301 provides that the Department "shall group the designated waters of the state into classes. Such classification shall be made in accordance with considerations of best usage in the interest of the public" and further that the Department "shall adopt and assign standards of quality and purity for each such classification necessary for the public use or benefit contemplated by such classification."

2. Legislative Objectives

The legislative objectives related to this proposed rule are to "conserve, improve and protect [the State's] natural resources and environment and to prevent, abate and control water, land and air pollution, in order to enhance the health, safety and welfare of the people of the state and their overall economic and social well being." ECL

1-0101(1). Furthermore, it is the policy of the state to guarantee that the "widest range of beneficial uses of the environment is attained without risk to health or safety, unnecessary degradation or other undesirable or unintended consequences." ECL 1-0101(3)(b). In furtherance of these broad policies, specific objectives are to "maintain reasonable standards of purity of the waters of the state consistent with public health and public enjoyment thereof..." ECL 17-0101.

3. Needs and Benefits

The proposed rule would adopt new pathogen standards for all coastal recreation waters and new definitions for the terms "coastal recreation waters" and "primary contact recreation season," which are needed to meet the requirements of the federal BEACH Act. The proposed standards are consistent with the United States Environmental Protection Agency's (USEPA's) 2012 Recreational Water Quality Criteria (RWQC). The RWQC are USEPA's recommendations for protecting human health in waters designated for primary contact recreation use. The proposed standards are: a 90-day Geometric Mean (GM) of 35 cfu/100mL and a statistical threshold value (STV) of 130 cfu/100mL for enterococci, and a 90-day GM of 126 cfu/100mL and a STV of 410 cfu/100mL for E.coli. Existing total and fecal coliform standards for recreational use protection would be maintained.

In evaluating the waters that would be defined as "coastal recreation waters," and covered by this proposed rule, the Department identified two large coastal waters, currently designated as Class I, that were not designated as having a best usage of primary contact recreation: Upper New York Bay (6 NYCRR § 890.6 - Item No. 6); and a portion of Lower New York Bay (6 NYCRR § 890.6 - Item No. 4). In 1985, the Department determined that these waters were unable to support a best usage of primary contact recreation. See Use Attainability Analysis of the New York Harbor Complex, August 1985, Page 17. Since that time, the water quality in the two water bodies proposed for reclassification has improved dramatically. See New York Harbor Water Quality Report, 2016. In 2015, the Department revised its regulations to require that Class SD and I waters be of quality suitable for swimming. That rulemaking did not designate a best usage of primary contact recreation for Class SD or I waters. Considering the water quality improvements in these two waterbodies and that they are adjacent to numerous public beaches, the Department has determined that they should be reclassified from Class I to Class SB to designate the best usage of primary contact recreation. The proposed pathogen standards would thus apply to the reclassified waters, consistent with the federal BEACH Act requirements for all marine coastal recreation waters, as well as a more stringent dissolved oxygen standard for Class SB waters.

4. Costs

The Department reviewed this proposed rule and identified the likely anticipated costs. The Department identified 41 municipal wastewater treatment plants ranging from 0.1 million gallons per day (MGD) to 135 MGD treatment capacity discharging to coastal recreation waters (including waters proposed for reclassification by this rule). Sixteen (16) of the 41 municipal wastewater treatment plants discharge to the Great Lakes, while the remaining 25 facilities discharge to marine coastal recreation waters (including waters proposed for reclassification by this rule). Additionally, 4 Private, Commercial, and Institutional (PCI) facilities were identified as surface water sanitary dischargers to marine coastal recreation waters.

The financial impact due to the adoption of the proposed E. coli standard is considered to be de minimus, as existing disinfection treatment facilities discharging to the Great Lakes are expected to meet the proposed standard without significant adjustments.

Under the proposed enterococci standards 25 municipal wastewater treatment plants and 4 PCI facilities discharging to marine coastal recreation waters (including waters proposed for reclassification by this rule) will likely need to upgrade their existing disinfection systems or incur increased operation and maintenance (O&M) costs resulting from higher dosing. The Department analyzed the costs associated with disinfection using both chlorination and ultraviolet radiation (UV).

The estimated unit cost for building a UV disinfection system is \$512,676/MGD design flow in capital costs with an estimated O&M

cost of \$10,000/MGD per year. Given that the total capital cost for conversion to UV disinfection is significantly higher than other alternatives, the estimated financial impact assumes that the impacted facilities will not choose the UV option. For facilities that already have an existing UV disinfection system, the most cost-effective alternative is to double the UV light intensity or dosing, thus the financial impact of \$10,000/MGD per year will be that resulting solely from increased O&M expenditures. Construction of a de-chlorination facility is estimated to cost \$220,000/MGD. The average O&M cost of approximately \$18,600/MGD per year was used to determine the potential financial impact associated with O&M for facilities utilizing chlorination and de-chlorination and \$27,900/MGD per year for facilities that currently chlorinate but will need to add de-chlorination facilities. The estimated total financial impact is as follows: 8 municipal wastewater treatment facilities and 2 PCI facilities would incur a collective capital cost of approximately \$35 million to construct chlorination/dechlorination; 29 impacted facilities would incur increased O&M costs, collectively totaling approximately \$13 million per year.

Certain coastal Class SB waters (including waters proposed for reclassification from Class I to Class SB by this rule) are impacted by Combined Sewer Overflows (CSO). The New York City (NYC) CSO control program is being implemented through the development of Long Term Control Plans (LTCPs). The LTCPs must meet the regulatory requirements of the EPA's CSO Control Policy as per the Clean Water Act (CWA) section 402(q), and adhere to the terms of the 2005 Consent Order between NYSDEC and NYC (Case No. CO2-20000107-8), as modified in 2008, 2009, 2012, 2015, 2016, and 2017 (collectively the "Consent Order"). LTCPs evaluate the cost-effectiveness of a range of control options/strategies, including up to 100% CSO capture. Given that NYC must currently comply with EPA's CSO control policy through the development and implementation of these LTCPs, no additional costs are anticipated to be driven by this rulemaking beyond those already required by the Consent Order, the LTCPs, NYC's State Pollutant Discharge Elimination System (SPDES) Permits, the CSO Control Policy and CWA section 402(q). These existing and continuing requirements are expected to result in the submission of approvable Jamaica Bay and City-Wide LTCPs that will include projects designed to achieve the highest attainable condition within the CSO impacted waterbodies.

The proposed reclassification would also cause a more stringent, existing Class SB aquatic life standard for Dissolved Oxygen (DO) to apply to these waters. The existing DO standard for Class I is a minimum of 4.0 mg/L, while the existing DO standard for Class SB is a minimum of 4.8 mg/L, with allowable excursions below 4.8 mg/L for limited periods of time. An examination of the current DO levels in these water bodies reveals that the new standard would be attained and not likely result in additional costs.

5. Local Government Mandates

As described in this document, this proposed rule would revise and update New York State's water quality standards which in turn would be incorporated into permits issued under Titles 7 and 8 of Article 17 of the Environmental Conservation Law. Any county, city, town, village, school district, fire district, or other special district permitted to discharge under the above statute may be responsible for complying with revised effluent limitations resulting from the proposed rule. The Department has reviewed potentially affected permits and included the estimated costs to comply with the proposed rule discussed above. Beyond these costs, this rule would not impose any additional program, service, duty, or responsibility upon any county, city, town, village, school district, fire district, or other special district.

6. Paperwork

As part of the SPDES program, all significant permittees (for permit classifications see the Department's Technical & Operational Guidance Series (TOGS) 1.2.2) are required to periodically report monitoring data for substances included in their permit. The proposed regulations are not expected to increase or decrease the number of significant SPDES permittees. Dischargers that may be required to report on a parameter for which they were previously not regulated would have to maintain records and report the discharge level of the newly regulated

parameter on existing reports. This proposed rule does not require the submission of any new forms.

7. Duplication

Both federal law and federal regulations set forth requirements for states regarding water quality standards (uses and criteria). Under federal law, promulgation of surface water standards is primarily a state responsibility. EPA provides oversight and guidance and approves state standards for surface water, but does not promulgate standards that apply nationwide. However, where a state's standards are inadequate, and EPA disapproves, EPA must then promulgate standards for the state if the state does not timely address the inadequacies.

8. Alternatives

The Department considered the "no action" alternative which would place the state in the position of not meeting the federal BEACH Act. The no action alternative was rejected as it was determined to be less protective of coastal recreation waters than the proposed rule and would not implement the requirements of the BEACH Act. The "no action" alternative for the reclassification was also rejected because the reclassification is appropriate at this time because of improvements in water quality since 1985 and because the two large coastal waters are adjacent to numerous public beaches.

9. Federal Standards

The proposed regulatory changes do not exceed any federal minimum standards. The proposal is consistent with the requirements of the federal BEACH Act. For more information, please see Section 7 of this document, titled "Duplication."

10. Compliance Schedule

The proposed rule, if adopted, would take effect on the date that the Notice of Adoption is published in the State Register. However, the Department recognizes that it may be unreasonable, both physically and fiscally, to expect regulated parties to comply with the regulations immediately. After the rulemaking becomes effective it would be implemented in permits when modified. If additional treatment is required, a compliance schedule in the permit may be established on a case-by-case basis with the permittee, and may require the permittee to submit a report describing their chosen treatment alternative and include a schedule for construction. Under such a scenario, the Department would review and, if appropriate, would approve the report before construction would commence. Although it is difficult to estimate, with accuracy, the amount of time necessary for regulated parties to achieve compliance with the proposed rule, it is expected that the Department will be able to review and renew affected permits within five years of the effective date of promulgation.

Regulatory Flexibility Analysis

The New York State Department of Environmental Conservation (Department) is proposing new standards for all coastal recreation waters to meet the requirements of the Federal Beaches Environmental Assessment and Coastal Health (BEACH) Act of 2000 (P.L. 106-284). In addition, the Department is proposing to reclassify certain Class I waters consisting of Upper New York Bay and a portion of Lower New York Bay to add the best usage of primary contact recreation to these waters.

1. Effect of Rule

The Department reviewed the proposed rule and identified the likely anticipated costs that are set forth in this section. The Department identified 41 municipal wastewater treatment plants ranging from 0.1 million gallons per day (MGD) to 135 MGD treatment capacity discharging to coastal recreation waters (including waters proposed for reclassification by this rule). Sixteen (16) of the 41 municipal wastewater treatment plants discharge to the Great Lakes, while the remaining 25 facilities discharge to marine coastal recreation waters (including waters proposed for reclassification by this rule). Additionally, 4 Private, Commercial, and Institutional (PCI) facilities were identified as surface water sanitary dischargers to marine coastal recreation waters.

The financial impact due to the adoption of the proposed E. coli standard is considered to be de minimus, as existing disinfection treatment facilities discharging to the Great Lakes are expected to meet the proposed standard without significant adjustments.

Under the proposed enterococci standards 25 municipal wastewater treatment plants and 4 PCI facilities discharging to marine coastal recreation waters (including waters proposed for reclassification by this rule) will likely need to upgrade their existing disinfection systems or incur increased operation and maintenance (O&M) costs resulting from higher dosing. The Department analyzed the costs associated with disinfection using chlorination and ultraviolet radiation (UV).

The estimated unit cost for building a UV disinfection system is \$512,676/MGD design flow in capital costs with an estimated O&M cost of \$10,000/MGD per year. Given that the total capital cost for conversion to UV disinfection is significantly higher than other alternatives, the estimated financial impact assumes that the impacted facilities will not choose the UV option. For facilities that already have an existing UV disinfection system, the most cost-effective alternative is to double the UV light intensity or dosing, thus the financial impact of \$10,000/MGD per year will be that resulting solely from increased O&M expenditures. Construction of a de-chlorination facility is estimated to cost \$220,000/ MGD. The average O&M cost of approximately \$18,600/MGD per year was used to determine the potential financial impact associated with O&M for facilities utilizing chlorination and de-chlorination and \$27,900/MGD per year for facilities that currently chlorinate but will need to add de-chlorination facilities. The estimated total financial impact is as follows: 8 municipal wastewater treatment facilities and 2 PCI facilities would incur a collective capital cost of approximately \$35 million to construct chlorination/dechlorination; 29 impacted facilities would incur increased O&M costs, collectively totaling approximately \$13 million per year.

Certain coastal Class SB waters (including waters proposed for reclassification from Class I to Class SB by this rule) are impacted by Combined Sewer Overflows (CSO). The New York City (NYC) CSO control program is being implemented through the development of Long Term Control Plans (LTCPs). The LTCPs must meet the regulatory requirements of the EPA's CSO Control Policy as per the Clean Water Act (CWA) section 402(q), and adhere to the terms of the 2005 Consent Order between NYSDEC and NYC (Case No. CO2-20000107-8), as modified in 2008, 2009, 2012, 2015, 2016, and 2017 (collectively the "Consent Order"). LTCPs evaluate the cost-effectiveness of a range of control options/strategies, including up to 100% CSO capture. Given that NYC must currently comply with EPA's CSO control policy through the development and implementation of these LTCPs, no additional costs are anticipated to be driven by this rulemaking beyond those already required by the Consent Order, the LTCPs, NYC's State Pollutant Discharge Elimination System (SPDES) Permits, the CSO Control Policy and CWA section 402(q). These existing and continuing requirements are expected to result in the submission of approvable Jamaica Bay and City-Wide LTCPs that will include projects designed to achieve the highest attainable condition within the CSO impacted waterbodies.

The proposed reclassification would also cause a more stringent, existing Class SB aquatic life standard for Dissolved Oxygen (DO) to apply to these waters. The existing DO standard for Class I is a minimum of 4.0 mg/L, while the existing DO standard for Class SB is a minimum of 4.8 mg/L, with allowable excursions below 4.8 mg/L for limited periods of time. An examination of the current DO levels in these water bodies reveals that the new standard would be attained and not likely result in additional costs.

2. Compliance Requirements

As part of the SPDES program, all significant permittees (for permit classifications see the Department's Technical & Operational Guidance Series (TOGS) 1.2.2) are required to periodically report monitoring data for substances include in their permit. The proposed regulations are not expected to increase or decrease the number of significant SPDES permittees. Dischargers that may be required to report on a parameter for which they were previously not regulated would have to maintain records and report the discharge level of the newly regulated parameter on existing reports. This proposed rule does not require the submission of any new forms. As mentioned above, the Department has identified costs associated with the proposed rule that may be incurred by small businesses or local governments.

3. Professional Services

There may be professional engineering services needed for the facilities potentially affected by the proposed rule, as mentioned above, to upgrade existing disinfection systems.

4. Compliance Costs

The Department reviewed the proposed rule and identified the likely anticipated costs that are set forth in this section. The estimated total financial impact for the municipal wastewater treatment facilities and PCI facilities to meet the proposed standards is a capital cost of approximately \$35 million and a net increase in O&M costs of approximately \$13 million per year. For a more detailed discussion please see above.

5. Economic and Technological Feasibility

The Department has concluded that compliance by regulated parties is both economically and technologically feasible. Under the proposed enterococci standards 25 municipal wastewater treatment plants and 4 PCI facilities discharging to marine coastal recreation waters (including waters proposed for reclassification by this rule) will likely need to upgrade their existing disinfection systems or incur increased O&M costs resulting from higher dosing.

6. Minimizing Adverse Impact

In developing this rulemaking, consideration was given to approaches that would minimize adverse economic impacts of the rule on small businesses and local governments such as differing requirements, outcome standards, and potential exemptions from coverage. Given the nature of this rule, and in order to adequately protect the waters of the State and to meet the requirements of federal law, differing requirements or potential exemptions for small businesses and local governments were not feasible. However, for the potentially impacted facilities subject to this rule, the Department will allow necessary time to establish a path to compliance.

The proposed regulatory changes, if adopted, would take effect on the date that the Notice of Adoption is published in the State Register. The Department recognizes that it may be unreasonable, both physically and fiscally, to expect regulated parties to comply with the regulations immediately. After the rulemaking becomes effective it would be implemented in permits when modified. If additional treatment is required, a compliance schedule in the permit may be worked out on a case-by-case basis with the permittee. Such a compliance schedule may require the permittee to submit a report describing their chosen treatment alternative and include a schedule for construction. Under such a scenario, the Department would review and, if appropriate, would approve the report before construction would commence. Although it is difficult to estimate, with accuracy, the amount of time necessary for regulated parties to achieve compliance with the proposed rule, it is expected that the Department will be able to review and renew affected permits within five years of the effective date of promulgation.

7. Small Business and Local Government Participation

The Department will inform the public about the proposed rule through the Department website, letters to dischargers and municipalities, and notices in the Environmental Notice Bulletin and the State Register. The Department will hold two public hearings pertaining to the rulemaking. The public will have the opportunity to comment on the proposed rule by attending a public hearing or by submitting written comments to the Department.

Job Impact Statement

This document is prepared in accordance with the State Administrative Procedure Law (SAPA) § 201-a. Pursuant to SAPA § 201-a(2)(a), the Department has determined that a Job Impact Statement is not required because the proposed rule will not have a substantial adverse impact on jobs and employment opportunities. This document contains the Department's rationale for this determination.

1. Nature of Impact

The Department is proposing new standards for all coastal recreation waters to meet the requirements of the federal Beaches Environmental Assessment and Coastal Health (BEACH) Act of 2000 (P.L. 106-284). In addition, the Department is proposing to reclassify certain Class I waters consisting of Upper New York Bay and a portion of Lower New York Bay to add the best usage of primary contact recreation to these waters. The only businesses or entities that could potentially be adversely impacted by this rule are those that hold State Pollutant Discharge Elimination System (SPDES) permits for discharge to the affected waterbodies.

2. Categories and Numbers Affected

The Department reviewed the proposed rule and identified the likely anticipated costs that are set forth in this section. The Department identified 41 municipal wastewater treatment plants ranging from 0.1 million gallons per day (MGD) to 135 MGD treatment capacity discharging to coastal recreation waters (including waters proposed for reclassification by this rule). Sixteen (16) of the 41 municipal wastewater treatment plants discharge to the Great Lakes, while the remaining 25 facilities discharge to marine coastal recreation waters (including waters proposed for reclassification by this rule). Additionally, 4 Private, Commercial, and Institutional (PCI) facilities were identified as surface water sanitary dischargers to marine coastal recreation waters.

The financial impact due to the adoption of the proposed E. coli standard is considered to be de minimus, as existing disinfection treatment facilities discharging to the Great Lakes are expected to meet the proposed standard without significant adjustments. Under the proposed enterococci standards 25 municipal wastewater treatment plants and 4 PCI facilities discharging to marine coastal recreation waters (including waters proposed for reclassification from Class I to Class SB by this rule) will likely need to upgrade their existing disinfection systems or incur increased operation and maintenance (O&M) costs resulting from higher dosing. The Department analyzed the costs associated with disinfection using chlorination and ultraviolet radiation (UV).

The estimated unit cost for building a UV disinfection system is \$512,676/MGD design flow in capital costs with an estimated O&M cost of \$10,000/MGD per year. Given that the total capital cost for conversion to UV disinfection is significantly higher than other alternatives, the estimated financial impact assumes that the impacted facilities will not choose the UV option. For facilities that already have an existing UV disinfection system, the most cost-effective alternative is to double the UV

light intensity or dosing, thus the financial impact of \$10,000/MGD per year will be that resulting solely from increased O&M expenditures. Construction of a de-chlorination facility is estimated to cost \$220,000/ MGD. The average O&M cost of approximately \$18,600/ MGD per year was used to determine the potential financial impact associated with O&M for facilities utilizing chlorination and de-chlorination and \$27,900/ MGD per year for facilities that currently chlorinate but will need to add de-chlorination facilities.

The estimated total financial impact is as follows: 8 municipal wastewater treatment facilities and 2 PCI facilities would incur a collective capital cost of approximately \$35 million to construct chlorination/dechlorination; 29 impacted facilities would incur increased O&M costs, collectively totaling approximately \$13 million per year.

Although these costs are not de minimis, they are spread across a large number of facilities over time and are not likely to impact in any measurable way job opportunities in New York State. To the contrary, this rule may create job opportunities for engineers and construction firms to design and construct necessary waste water treatment plant retrofits.

Certain coastal Class SB waters (including waters proposed for reclassification from Class I to Class SB by this rule) are impacted by Combined Sewer Overflows (CSO). The New York City (NYC) CSO control program is being implemented through the development of Long Term Control Plans (LTCPs). The LTCPs must meet the regulatory requirements of the EPA's CSO Control Policy as per the Clean Water Act (CWA) section 402(q), and adhere to the terms of the 2005 Consent Order between NYSDEC and NYC (Case No. CO2-20000107-8), as modified in 2008, 2009, 2012, 2015, 2016, and 2017 (collectively the "Consent Order"). LTCPs evaluate the cost-effectiveness of a range of control options/ strategies, including up to 100% CSO capture. Given that NYC must currently comply with EPA's CSO control policy through the development and implementation of these LTCPs, no additional costs are anticipated to be driven by this rulemaking beyond those already required by the Consent Order, the LTCPs, NYC's SPDES Permits, the CSO Control Policy and CWA section 402(q). These existing and continuing requirements are expected to result in the submission of approvable Jamaica Bay and City-Wide LTCPs that will include projects designed to achieve the highest attainable condition within the CSO impacted waterbodies.

The proposed reclassification would also cause a more stringent, existing Class SB aquatic life standard for Dissolved Oxygen (DO) to apply to these waters. The existing DO standard for Class I is a minimum of 4.0 mg/L, while the existing DO standard for Class SB is a minimum of 4.8 mg/L, with allowable excursions below 4.8 mg/L for limited periods of time. An examination of the current DO levels in these water bodies reveals that the new standard would be attained and not likely result in additional costs.

3. Regions of Adverse Impact

This rule would set forth new water quality standards for coastal recreation waters. These waters are found along the shores of Bronx, Cayuga, Chautauqua, Erie, Jefferson, Kings, Monroe, Nassau, Niagara, Orleans, Oswego, Queens, Richmond, St. Lawrence, Suffolk, Wayne, and Westchester counties. This rule would also upgrade the classification of Class I coastal waters of Upper New York Bay and a portion of Lower New York Bay, found along the shores of Kings, New York, and Richmond counties. However, as mentioned above, the proposed rule is not likely to negatively impact in any measurable way job opportunities in the state of New York. To the contrary, this rule may create job opportunities for engineers and construction firms to design and construct necessary wastewater treatment plant retrofits and may result in fewer beach closures which in turn would potentially increase tourism revenue for the affected areas.

4. Minimizing Adverse Impact

The proposed regulatory changes, if adopted, would take effect on the date that the Notice of Adoption is published in the State Register. However, the Department recognizes that it may be unreasonable, both physically and fiscally, to expect regulated parties to comply with the regulations immediately. After the rulemaking becomes effective it would be implemented in permits when modified. If additional treatment is required, a compliance schedule in the permit may be worked out on a case-by-case basis with the permittee. Such a compliance schedule may require the permittee to submit a report describing their chosen treatment alternative and include a schedule for construction. Under such a scenario, the Department would review and, if appropriate, would approve the report before construction would commence. Although it is difficult to estimate, with accuracy, the amount of time necessary for regulated parties to achieve compliance with the proposed rule, it is expected that the Department will be able to review and renew affected permits within five years of the effective date of promulgation.

5. Conclusion

The Department has determined that this potential impact is not a "substantial adverse impact on jobs and employment opportunities" as

that term is defined in section 201-a(6)(c) of the New York State Administrative Procedure Act. In addition, this rule will not have a measurable impact on self-employment. Therefore, the Department has determined that a Job Impact Statement is not required.

Department of Financial Services

EMERGENCY RULE MAKING

Minimum Standards for Form, Content and Sale of Health Insurance, Including Standards of Full and Fair Disclosure

I.D. No. DFS-25-17-00002-E

Filing No. 386

Filing Date: 2018-04-23

Effective Date: 2018-04-23

PURSUANT TO THE PROVISIONS OF THE State Administrative Procedure Act, NOTICE is hereby given of the following action:

Action taken: Amendment of Part 52 (Regulation 62) of Title 11 NYCRR.

Statutory authority: Financial Services Law, sections 202, 302; Insurance Law, sections 301, 2606, 2607, 2608, 3201, 3221(h), 3231(a), 3232(g), (h), 3240(b), (d), 4303(l), 4317(a), 4318(g), (h) and 4328(b)(1)

Finding of necessity for emergency rule: Preservation of public health and general welfare.

Specific reasons underlying the finding of necessity: There is a movement underway in Congress to repeal and replace the federal Affordable Care Act ("ACA"), including the requirement that issuers cover essential health benefits ("EHB"), such as benefits for maternity and newborn care and mental health and substance use disorder services, and the prohibition against discrimination in the issuance and rating of accident and health insurance because of factors such as race, color, national origin, sex, age, and disability. This rule would require every individual and small group accident and health insurance policy or contract (other than a grandfathered health plan) delivered or issued for delivery in New York that provides hospital, surgical, or medical expense coverage and every student accident and health insurance policy or contract delivered or issued for delivery in New York to provide coverage of at least the enumerated ten categories of EHB if the EHB provisions in 42 U.S.C. § 18022 and 45 C.F.R. 156.100 et seq. are no longer in effect or are modified as determined by the Superintendent of Financial Services. This will ensure that people covered under individual, small group, and student accident and health insurance policies and contracts will continue to have coverage for these important benefits.

In addition, the rule would, with regard to an individual or small group accident and health insurance policy that provides hospital, surgical, or medical expense coverage and a student accident and health insurance policy or contract delivered or issued for delivery in New York State, reaffirm that an issuer is prohibited from discriminating because of race, color, creed, national origin, sex, age, marital status, disability, or a preexisting condition, and clarify the scope of such prohibitions.

For the public health and general welfare, the Department is promulgating this rule on an emergency basis in the event that Congress repeals the ACA.

Subject: Minimum Standards for Form, Content and Sale of Health Insurance, Including Standards of Full and Fair Disclosure.

Purpose: To ensure coverage for essential health benefits in all individual, small group, and student accident and health policies.

Text of emergency rule: A new subdivision 52.1(q) is added as follows:

(q)(1) *The federal Patient Protection and Affordable Care Act ("ACA") requires all individual and small group accident and health insurance policies delivered or issued for delivery in this State that provide hospital, surgical, or medical expense coverage and are not grandfathered health plans, and all student accident and health insurance policies delivered or issued for delivery in this State to include coverage for ten categories of essential health benefits. The essential health benefits provide a set of minimum standards that ensure that all individual and small group accident and health insurance policies that provide hospital, surgical, or medical expense coverage and are not grandfathered health plans, and all student accident and health insurance policies provide their insureds with comprehensive coverage for medically necessary care. Independent of the ACA, the Insurance Law and this Title include broad protections to ensure that all accident and health insurance coverage sold in this State is*